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Should American Agriculture Seek Recovery of World Markets or Arrange To Live At Home?

This introduction to viewpoints is one of a series of aids for discussion prepared for members of rural discussion groups through the cooperation of the Extension Service and the Agricultural Adjustment Administration of the United States Department of Agriculture. It is not intended to direct attention to any particular point of view or conclusion. Instead, it is intended for reading by members of discussion groups in advance of consideration of the topic so as to indicate some of the topic's discussion possibilities. No statement contained herein should be construed as an official expression of the Department of Agriculture. Similar aids, forming Discussion Series A, are being made available on other topics, covering a total of 14 topics. A second series, a group of publications forming Discussion Series B, is being prepared. These deal with the same topics. They are intended primarily for leaders or chairmen of discussion groups and for members interested in more extended treatment of the subject than is provided in Discussion Series A.

UNITED STATES DEPARTMENT OF AGRICULTURE
The Extension Service and the
Agricultural Adjustment Administration cooperating

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This pamphlet is the third in Discussion Series A, a series of brief introductions to widely held viewpoints on the 14 topics listed below. Discussion Series B, also available, covers the same topics at greater length. Discussion Series A is intended for reading by members of discussion groups in advance of group meetings. Discussion Series B is intended for use by chairmen of forums and discussion groups, speakers, and group members who wish to do further reading.

1. What is the Chief Cause of the Farm Depression?
2. Do Farmers Want the Federal Government to Help Them Deal with Farm Problems?
3. Should American Agriculture Seek Recovery of World Markets or Arrange to Live at Home?
4. What Kind of Foreign Trade Policies Do American Farmers Want? In Peace Time? In War Time?
5. What Kind of an Industrial Policy Is Best for Agriculture?
6. The Farmer and the Consumer of Farm Products—What, If Any, Are Their Responsibilities to One Another?
7. Do Farmers Want High Tariffs on Farm Products? On Industrial Products?
8. Should Farm Benefit Payments Be Abolished?
9. Farm Prices—How Are They Made?
10. What Kind of Land Prices Would Be Best for Agriculture? For the Nation as a Whole?
11. Will Crop Adjustment Be Necessary or Desirable in Years to Come?
12. What Possibilities and Limitations Do Farmers in this County Face in Seeking a Better Balance in Farm Production?
13. What Objectives Are Desirable for Farming as a Business? As a Way of Life?
14. What Should Farmers Seek to Accomplish Through Organization?

Two pamphlets intended primarily for the assistance of leaders of rural discussion groups and forums are now available:

1. Discussion: A Brief Guide to Methods.
2. How to Organize and Conduct County Forums.

Should American Agriculture Seek Recovery of World Markets or Arrange to Live at Home?

AMERICAN farmers have always had a heavy stake in foreign trade. The estimated value of American farm products exported in 1933 was less than one-fifth of their estimated value in 1919 and less than one-half of their estimated value in 1929. In terms of the volume of exports the decline was smaller but substantial, especially in the case of wheat, lard, and cotton.

What Are Your Answers?

1. What is Most Important to American Farmers—the Nation's Imports or Exports?
2. What Will Be the Effect on Agriculture in This Community if Exports Continue to Decrease?
3. Why Have Exports of American Farm Products Fallen Off in Recent Years?
4. What Would Happen to Agriculture in This State if Exports Sharply Increased?
5. What Should We Import?
6. What Would Be a Practical Foreign Trade Program in View of Our Status as a Creditor Nation?

Some Pros and Cons

I

“The farmers of the United States should not seek to recover foreign markets. The United States must live at home. It must try to produce everything it needs, buy as little as possible from abroad.

“Farmers must see that imports—industrial as well as agricultural—are restricted. A dollar spent for foreign goods directly benefits producers abroad; a dollar spent for American goods directly benefits domestic producers. Competition with foreign producers in the home market, whether in agricultural or industrial products, is bound to rob the American farmer and workingman of part of his legitimate market. It is unfair competition, because many other countries have lower living standards, lower wages, cheaper land.

"Living at home as much as possible is a necessity at present. Most nations have put up trade barriers which make a resumption of extensive foreign trade impossible. Furthermore, we have the resources to be more self-sufficing than most nations, and we should demonstrate to them the extent to which we can take care of ourselves.

"The farmers of the United States should strive to restore foreign trade. The United States is part of the world, tied to other nations by the bonds of friendship, of humanity, as well as trade. We can only achieve maximum prosperity by removing trade barriers, at home and abroad. Those things we produce most efficiently, we ought to sell abroad as well as at home. We should buy from other nations the things they produce most efficiently.

"American farmers must see to it that exports are expanded. Few foreign producers can compete successfully with the American farmer. Let the imports come in, therefore, since only by accepting imports can a creditor nation, such as we are, enable foreign countries to pay for our exports. We can't sell abroad unless we buy abroad.

"America's higher standard of living has not come because of our high tariff policy, but because of superior natural resources, an aggressive, ingenious, hard-working people, superior technical development, and the existence within the United States of an enormous free-trade area. By diminishing the volume of trade and preventing the exchange between peoples of the wealth in goods they are most capable of producing, high tariffs have the general effect of lowering rather than raising standards of living.

"Freer international trade is the course we will most likely be forced to take in the long run, because a creditor nation must be generous about imports. We should therefore take the logical step for a creditor nation and lead in a gradual moderation of barriers to international trade."

III

"The old-time internationalism is dead. Free trade is impossible. But so is complete self-containment. The only way out is through treaties with individual nations, to build up an interchange of goods with those nations on a basis of mutual advantage.

"Complete free trade would be fine if it could be achieved without destroying industries and agricultural enterprises built up under protection, but it cannot be so achieved. Let's be realistic, and therefore selective in what we buy and sell abroad. Most of our imports ought to be products which do not compete with American products. Treaties with our foreign neighbors, carefully developed

to protect American interests, will in time yield the maximum of foreign trade consistent with the national interest.

“This policy calls for ‘Reciprocal Trade Agreements’ with other nations. Such agreements have been authorized by Congress, and the Department of State has already negotiated several of them. This policy of ‘picking and choosing’ our foreign trade customers should be given a thorough trial, and it should be our policy as a nation for the immediate future.

IV

“Our foreign trade will continue to decline, and nothing can be done about it. Our farmers can’t compete with the cheap lands of South America, Russia, Australia. Europe, striving for self-sufficiency for purposes of defense, won’t let us export there. Perhaps no country, including the United States, will attain complete self-sufficiency; certainly it is economically unsound to try for it; but that is the world trend, and it must run its course. The only thing we can do is keep our export acres idle, or in grass or trees, and make what other internal adjustments we must.

“This is about the only course possible, too, because a large nation like the United States can’t agree on a foreign trade policy. There are too many sectional interests that are in conflict with one another. We might as well drift along, because there seems to be no way of choosing what our foreign trade policy should be.”

More About World Markets

AGRICULTURE’S INTEREST IN AMERICA’S WORLD TRADE. Questions and Answers on a Vital Aspect of America’s Future. 22 pp. Washington, D. C., U. S. Dept. of Agriculture, Agricultural Adjustment Administration, 1935. Free.

Questions and answers are arranged under the following main questions: How many acres does America need to farm; What is America’s past record as to exports; What is the Government now doing to revive America’s international trade; What are the prospects for increased exports of America’s chief agricultural commodities?

AMERICA MUST CHOOSE. The Advantages and Disadvantages of Nationalism, of World Trade, and of a Planned Middle Course. By H. A. Wallace. 33 pp. New York, Published jointly by Foreign Policy Association and World Peace Foundation, 1934. (World Affairs Pamphlets No. 3.) 25 cents.

AMERICA SELF-CONTAINED. By Samuel Crowther. 340 pp. Garden City, New York, Doubleday, Doran & Company, Inc., 1933. \$2.00.

A strong plea for nationalism. Titles of some of the chapters are: Half slave—half free; The free-trade myth; The passing of international trade; The war debt hoax; The home market; The price of internationalism.

THE AMERICAN FARMER AND THE EXPORT MARKET. By A. A. Dowell and O. B. Jesness. 269 pp. Minneapolis, University of Minnesota Press, 1934. \$2.00.

This book deals with present-day economic nationalism in relation to American agriculture, and aims to show the place of foreign markets in American agricultural trade and to consider the consequences of abandonment or drastic curtailments of those outlets.—Adapted from the preface.

DOES FOREIGN COMPETITION HURT THE AMERICAN FARMER? 8 pp. Washington, D. C., U. S. Dept. of Agriculture, Agricultural Adjustment Administration, July 1935. Free.

Contents: Why does the United States import agricultural products; Does the tariff protect the American farmer; What is the long-time trend in agricultural imports?

ECONOMIC BASES FOR THE AGRICULTURAL ADJUSTMENT ACT. By Mordecai Ezekiel and Louis H. Bean. 67 pp. Washington, D. C., U. S. Dept. of Agriculture, Agricultural Adjustment Administration, 1933. Free.

The first twenty pages of this pamphlet are concerned with the economic situation in the United States in 1932–33 in relation to the declaration of emergency and policy of the Agricultural Adjustment Act. See pages 13–21 for discussion of the barriers to foreign trade erected by foreign countries since the war.

FOREIGN TRADE AND THE WORKER'S JOB. By Helen Hill. 40 pp. Boston, New York, World Peace Foundation, 1935. (Popular Pamphlets on World Problems No. 1) 10 cents.

Contents: What should be the goals of American production: How the division of labor gave rise to our foreign trade; How the world war affected America's trade abroad; Why the first attempt to bring back prosperity failed; Why prosperity is dependent upon wise trade measures; How high tariffs affect the worker; What foreign trade means to the American standard of living; Why America must choose a definite trade and tariff policy; Why the decision is vital to labor.

THE NEW TRADE AGREEMENT WITH CUBA AS IT AFFECTS AGRICULTURE. By C. F. Wells. *Foreign Crops and Markets*. v. 29, no. 19, Nov. 5, 1934, pp. 481–487. (Published by the division of Foreign Agricultural Service, Bureau of Agricultural Economics, U. S. Dept. of Agriculture.) Free.

Accompanied by five tables which show Cuban imports (total and those on which concessions were granted to the United States); summary of Cuban concessions on agricultural imports from the United States; United States imports (total and those on which concessions were granted to Cuba); summary of United States concessions to Cuba; United States concessions to Cuba.

NOTES ON RECIPROCAL TRADE AGREEMENTS. By R. L. Adams. *Growers Tariff League Bulletin* 23, 8 pp. Dec. 18, 1934. (Published at 49 Halleck St., San Francisco, Calif.) Free.

In three parts: I, Procedure incident to preparing and negotiating reciprocal trade agreements; II, The philosophy underlying the program of reciprocal agreements; III, Comments, with special reference to California agricultural industries.

THE OPEN DOOR AT HOME. A Trial Philosophy of National Interest. By C. A. Beard, with the collaboration of G. H. E. Smith. 331 pp. New York, The Macmillan Company, 1934. \$3.00.

The writer states in his preface that the title of the book is "borrowed in part from a misleading formula of that diplomacy which ostensibly seeks the

welfare of the United States by pushing and holding doors open in all parts of the world with all engines of government, ranging from polite coercion to the use of arms. As employed here the title means the most efficient use of the natural resources and industrial arts of the nation at home in a quest for security and a high standard of living. Thus it is a direct antithesis of the historic policy which has eventuated in the present economic calamity. It implies a reversal of reliance on imprudent risks and invites the American nation to open doors at home, to substitute an intensive cultivation of its own garden for a wasteful, quixotic, and ineffectual extension of interests beyond the reach of competent military and naval defense."

REPORT OF THE SECRETARY OF AGRICULTURE. 119 pp. Washington, U. S. Govt. Print. Off., 1934. For sale by the Superintendent of Documents, Washington, D. C. 10 cents.

Also printed in the Yearbook of Agriculture, 1935.

See sections entitled "Foreign trade is one alternative"; "Reciprocal trade agreements"; "Cotton."

VANISHING FARM MARKETS AND OUR WORLD TRADE. By T. W. Schultz. 41 pp. Boston, New York, World Peace Foundation, 1935. (World Affairs Pamphlets, No. 11) 25 cents.

Contents: Putting a Chinese wall around our "export" farmers; The American "system"; Prosperity from the plow; We and our world. The following is the last paragraph of this pamphlet:

"For the American citizen, a fundamental fact challenges his political foresight: The general consequences of tariffs come and go slowly. A reversal of our tariff policy today does not mean a prosperous agriculture tomorrow. Nor are all the emergency or long-time maladjustments in agriculture the result of the breakdown of foreign trade. A more liberal foreign trade policy, however, would reduce the necessity of generally curtailing agricultural products. It would facilitate a more normal cost and price pattern. Its long run economic effects would be significant, positive, and desirable."

WHAT ECONOMIC NATIONALISM MEANS TO THE SOUTH. By Peter Molyneux. 28 pp. New York, Published jointly by Foreign Policy Association and World Peace Foundation, 1934. (World Affairs Pamphlets, No. 4) 25 cents.

This argument for the abandonment of the policy of economic nationalism applies particularly to the interests of the ten cotton states, but has also "a national and even international application."

MADE IN U. S. A. Edited by Ryllis Alexander Goslin. New York. Foreign Policy Association. 1935. Paper, 25 cents; boards, 35 cents.

A discussion; live-at-home *versus* international trade in terms of American agriculture.

